

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY:

A REGULATION relating to taxation; providing implementation of the Commerce Tax

Section 1. As used in sections 2 through 9, inclusive, of this regulation, the words and terms defined in sections 2 through 9, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 2. “Business trust” has the meaning ascribed to it in NRS 88A.030.

Sec. 3. “Commission” means the Nevada Tax Commission.

Sec. 4. “Department” means the Nevada Department of Taxation.

Sec 5. “Foreign business trust” has the meaning ascribed to it on NRS 88A.040.

Sec. 6. “Grantor trust” means a trust described in subparagraph (g) of subsection (2) of section 4 of S.B. 483.

Sec. 7. “Qualified trust” means a trust described in subparagraph (k) of subsection (2) of section 4 of S.B. 483.

Sec. 8. “Real estate investment trust” means a trust described in subparagraph (i) of subsection (2) of section 4 of S.B. 483.

Sec. 9. “Trust” means any trust other than a grantor trust, business trust, foreign business trust, qualified trust, or real estate investment trust.

Sec. 10. In determining whether a trust is engaged in business in Nevada, the Department will consider the nature and character of the activities of the trust itself and not the activities of another entity in which the trust holds a legal ownership interest.

Sec. 11. As used subparagraph (m) of subsection (2) of section 4 of S.B. 483, the Commission interprets the phrase “person whose activities within this State are confined to the owning,

maintenance and management of the person's intangible assets" to include a trust whose activities within this State are confined to the owning, maintenance and management of intangible assets of which the trust is the legal owner.

Sec. 12. As used in section 10.5 of S.B. 483, the Commission interprets the phrase "entity that is disregarded as an entity for purposes of federal income taxation" to include an entity that meets the requirements of Subchapter S of the Internal Revenue Code and has elected, pursuant to that subchapter, to pass income, losses, deductions and credits through to its owners for purposes of the federal income tax.